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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2005**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-11-2006

**EAST FELICIANA PARISH SCHOOL BOARD**

**CLINTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2005**

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**INDEPENDENT AUDITORS' REPORT**

The Members of the  
East Feliciana Parish School Board  
Clinton, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (School Board) as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board as of June 30, 2005 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and the budgetary comparison schedules on pages III through VIII and pages 22 through 25, respectively, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The accompanying supplementary information consisting of the combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2005 on our consideration of the East Feliciana Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Pastlithwait & Nettumilly*

Baton Rouge, Louisiana  
November 7, 2005

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

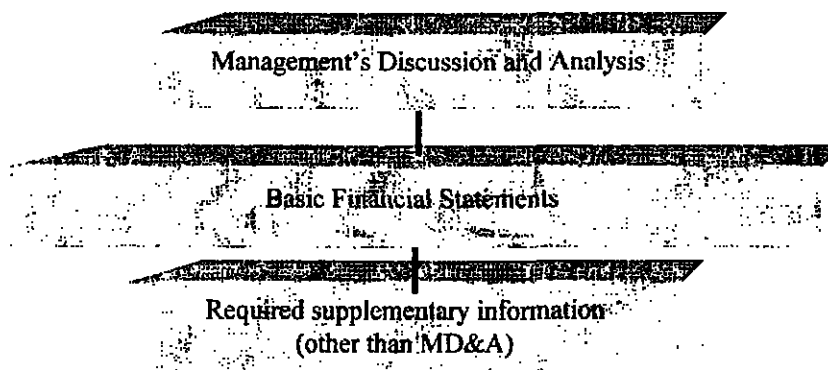
The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

**FINANCIAL HIGHLIGHTS**

- ★ The East Feliciana Parish School Board's assets exceeded its liabilities at the close of fiscal year 2005 by \$15,930,917.
- ★ Revenues exceeded expenses by \$522,376 at the end of the year, indicating a net improvement in the financial position of the School Board over prior year.
- ★ State MFP funding increased by approximately \$61,600 from prior year.
- ★ Capital Assets increased by approximately \$685,000 as a result of the completion of improvements made to Clinton Middle School, expenditures for Clinton High softball field, and other improvement projects.
- ★ The General Fund's fund balance increased by approximately \$287,000.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of \$1,951,173, which can be used for a variety of operating purposes. The Board has used this fund to provide salary supplements for the past several years.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net assets* presents information on all of the School Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected taxes and earned by unused sick leave).

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

**Fund financial statements.** A *fund* is grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, No Child Left Behind Act (NCLB) Fund, and the Sales Tax Operations and Maintenance Fund, all of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds. Budgets were not adopted for Capital Projects Funds and Debt Service Fund. As such, a budget to actual comparison was not prepared for those funds.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the School Board's programs. The School Board's fiduciary funds consist of the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities, and the Sales Tax Fund, which accounts for the collection and distribution of parish-wide sales taxes.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FINANCIAL ANALYSIS OF THE ENTITY**

Condensed Statement of Net Assets  
as of June 30, 2005 and 2004

	2005	2004
Cash and other assets	\$ 7,948,885	\$ 7,613,705
Receivables	1,484,248	1,902,302
Prepaid expenses and other	296,475	313,168
Capital assets	9,003,190	8,317,896
Total assets	<u>18,732,798</u>	<u>18,147,071</u>
Accounts, salaries and other payables	2,150,577	2,012,674
Deferred revenues	254,559	188,850
Compensated absences and claims liabilities	396,745	537,006
Total liabilities	<u>2,801,881</u>	<u>2,738,530</u>
Net assets:		
Invested in capital assets, net of debt	9,003,190	8,317,896
Restricted	850,314	1,054,064
Unrestricted	6,077,413	6,036,581
Total net assets	<u>\$ 15,930,917</u>	<u>\$ 15,408,541</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

- Cash and cash equivalents have remained relatively constant and remain at a more than adequate level to meet current obligations. These assets, consisting of cash in local financial institutions comprise approximately 42.5% of total assets.
- Receivables have decreased due to a decrease in the dollar levels of grants received from the State Department of Education.
- Capital assets, which are reported net of accumulated depreciation, account for 48% of the total assets of the School Board for the most recent year ended.
- Total liabilities remained relatively constant, with salaries and related payables comprising 78.5% of amounts owed at year-end.
- Unrestricted nets assets increased by \$40,832, and accounted for 38.2% of total net assets at June 30, 2005 remaining consistent with prior years.

Condensed Statement Revenues and Expenses  
for the years ended June 30, 2005 and 2004

	2005	2004
Program Revenues		
Charges for services	\$ 77,831	\$ 107,772
Operating grants	4,095,464	4,867,934
Capital grants	616,762	606,419
General revenues		
Property taxes	1,140,909	1,075,186
Sales taxes	2,184,164	2,800,892
Earnings on Investments	106,706	50,603
MFP	10,585,371	10,523,771
Other	362,553	381,633
	<u>19,169,760</u>	<u>20,414,210</u>
Expenses		
Regular education	7,273,054	7,014,361
Special education	1,884,763	1,944,280
Other education	1,492,372	1,655,965
Pupil support	854,977	905,692
Instructional staff	1,096,350	1,425,716
General administrative	564,655	581,419
School administrative	1,101,705	1,093,545
Business and central services	259,202	237,420
Plant operation and maintenance	1,306,524	1,541,024
Transportation	989,646	1,062,179
Food service	1,293,840	1,395,982
Central services	1,875	-
Community service programs	7,016	11,634
Claims expenses	50,000	184,000
Depreciation	471,405	417,492
	<u>18,647,384</u>	<u>19,470,709</u>
Excess of revenue over expenses	<u>\$ 522,376</u>	<u>\$ 943,501</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

**FINANCIAL ANALYSIS OF THE ENTITY (Continued)**

**Change in Net Assets**

- MFP, which accounts for 55.2% of total revenues, increased approximately \$61,600 due to an increase in the allocation per student.
- Sales taxes which account for 11% of total revenues decreased \$616,728 due to the leveling out of collections since the prior year receipt of disputed taxes of approximately \$700,000.
- Grant revenues, comprising 25% of total revenues, decreased by 14% over the prior year, or \$724,000 as a result of decreased Title One funding.
- Expenses decreased as a result of decreases in the Title One program of approximately \$684,000. Notwithstanding this decrease, expenses were relatively consistent with the previous year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2005, the East Feliciana Parish School Board had \$9,003,190 invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

This amount represents a net increase (including additions and deductions) of \$685,294, or 9.2%, over last year.

	<u>2005</u>	<u>2004</u>
Land	\$ 847,658	\$ 847,658
Buildings and Improvements	7,852,330	6,569,839
Equipment	261,577	293,794
Construction-in-Progress	<u>41,625</u>	<u>606,605</u>
Totals	<u>\$ 9,003,190</u>	<u>\$ 8,317,896</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2005**

**Long-term debt**

At the end of the current fiscal year, the School Board had no bonded debt outstanding. Long-term liabilities consist of compensated absences payable of \$346,745 and a claims liability of \$50,000.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

The general fund budget was amended from the original projections to reflect an increase in property tax collections of approximately \$190,000, increased health insurance costs, and increased electricity costs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The East Feliciana Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Tax revenue will stay constant.
- A moderate decrease in MFP funding.
- Health insurance premiums and mandatory contributions to the Teachers Retirement System will continue to increase.

**CONTACTING THE EAST FELICIANA PARISH SCHOOL BOARD'S MANAGEMENT**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Janice Betrece, Business Manager, East Feliciana Parish School Board, 12732 Silliman Street, P.O. Box 397, Clinton, LA 70722, (225) 683-8277.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**STATEMENT OF NET ASSETS**

**June 30, 2005**

**ASSETS**

Cash and cash equivalents	\$	7,948,885
Receivables:		
Sales tax		385,456
Prepaid expenses		72,179
Due from governments		1,098,792
Due from external party (fiduciary fund)		200,947
Inventory		23,349
Capital assets:		
Land and construction in progress		889,293
Buildings and equipment, net of accumulated depreciation		8,113,897
		<hr/>
TOTAL ASSETS		18,732,798

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts, salaries and other payables	2,150,577
Deferred revenues	254,559
Long-term liabilities:	
Due within one year	27,698
Due in more than one year	369,047
	<hr/>
TOTAL LIABILITIES	2,801,881

**CONTINGENCIES (NOTE 11)**

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**NET ASSETS**

Invested in capital assets, net of related debt	9,003,190
Restricted for:	
Debt service	277,565
Grant programs	547,523
Compensation	25,226
Unrestricted	6,077,413
	<hr/>
TOTAL NET ASSETS	\$ 15,930,917

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Unit
<b>Instruction:</b>				
Regular education programs	\$ 7,273,054	\$ -	\$ 1,643,306	\$ 616,762
Special education programs	1,884,763	-	425,852	-
Other education programs	1,492,372	-	337,193	-
<b>Support Services:</b>				
Pupil support services	854,977	-	193,177	-
Instructional staff services	1,096,350	-	247,714	-
General administration services	564,655	-	127,581	-
School administration services	1,101,705	-	248,924	-
Business and central services	259,202	-	58,565	-
Plant operation and maintenance	1,306,524	-	295,202	-
Transportation	989,646	3,184	223,605	-
Food service	1,293,840	74,647	292,336	-
Central services	1,875	-	424	-
Community services	7,016	-	1,585	-
Claims expense	50,000	-	-	-
Depreciation	471,405	-	-	-
<b>Total Governmental Activities</b>	<b>18,647,384</b>	<b>77,831</b>	<b>4,095,464</b>	<b>616,762</b>
				<b>(13,857,327)</b>
<b>General Revenues</b>				
<b>Taxes:</b>				
Ad-valorem taxes				1,140,909
Sales and use taxes				2,184,164
State revenue sharing				73,479
<b>Grants and contributions not restricted to specific purposes:</b>				
Minimum Foundation Program				10,585,371
Interest and investment earnings				106,706
Miscellaneous				289,074
<b>Total general revenues</b>				<b>14,379,703</b>
<b>Change in Net Assets</b>				<b>522,376</b>
<b>Net Assets - July 1, 2004 (See Note 12)</b>				<b>15,408,541</b>
<b>Net Assets - June 30, 2005</b>				<b>\$ 15,930,917</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD****Clinton, Louisiana****GOVERNMENTAL FUNDS****BALANCE SHEET****JUNE 30, 2005**

	General	NCLB	Operations and Maintenance	Non-major Governmental	Total
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 5,088,338	\$ 58,171	\$ 1,754,986	\$ 1,047,391	\$ 7,948,886
Receivables:					
Sales tax	192,728	-	192,728	-	385,456
Prepaid expenses	72,179	-	-	-	72,179
Due from other funds	2,921,477	-	6,164	195	2,927,836
Due from other governments	39,989	424,938	-	633,748	1,098,674
Inventory	-	-	-	23,349	23,349
TOTAL ASSETS	<u>\$ 8,314,711</u>	<u>\$ 483,109</u>	<u>\$ 1,953,878</u>	<u>\$ 1,704,683</u>	<u>\$ 12,456,381</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 54,735	\$ 42,637	\$ 2,705	\$ 247,551	\$ 347,628
Salaries and benefits payable	1,802,943	-	-	-	1,802,943
Due to other funds	1,764,551	427,783	-	534,555	2,726,889
Deferred revenues	153,952	-	-	100,497	254,449
TOTAL LIABILITIES	<u>3,776,181</u>	<u>470,420</u>	<u>2,705</u>	<u>882,603</u>	<u>5,131,909</u>
Fund balances:					
Reserved for inventory	-	-	-	10,533	10,533
Reserved for prepaid expenses	72,179	-	-	-	72,179
Reserved for debt service	-	-	-	277,565	277,565
Unreserved, reported in:					
General Fund:					
Undesignated	4,466,351	-	-	-	4,466,351
Special Revenue Fund	-	12,689	1,951,173	524,301	2,488,163
Capital Projects Fund	-	-	-	9,681	9,681
TOTAL FUND BALANCES	<u>4,538,530</u>	<u>12,689</u>	<u>1,951,173</u>	<u>822,080</u>	<u>7,324,472</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,314,711</u>	<u>\$ 483,109</u>	<u>\$ 1,953,878</u>	<u>\$ 1,704,683</u>	<u>\$ 12,456,381</u>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2005**

Total Fund Balances at June 30, 2005 - Governmental Funds		\$	7,324,472
Cost of capital assets at June 30, 2005	\$	17,889,954	
Less: Accumulated depreciation as of June 30, 2005:			
Buildings and improvements		(7,981,662)	
Movable property		<u>(905,102)</u>	9,003,190
Long-term liabilities at June 30, 2005:			
Claims liability		(50,000)	
Compensated absences payable		<u>(346,745)</u>	<u>(396,745)</u>
Total Net Assets at June 30, 2005 - Governmental Activities			<u>\$ 15,930,917</u>

The accompanying notes are an integral part of this statement.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FISCAL YEAR ENDED JUNE 30, 2005**

	General	NCLB	Operations and Maintenance	Non-major Governmental	Total
<b><u>REVENUES</u></b>					
Local sources:					
Ad valorem taxes	\$ 1,139,112	\$ -	\$ -	\$ 1,797	\$ 1,140,909
Sales and use tax	1,092,082	-	1,092,082	-	2,184,164
Earnings on investments	60,727	-	32,186	13,795	106,708
Other	291,332	-	-	75,111	366,443
State sources:					
Unrestricted grants-in-aid, MFP	10,559,835	-	-	25,536	10,585,371
Revenue sharing	73,479	-	-	-	73,479
Restricted grants-in-aid	156,722	-	-	460,040	616,762
Federal grants	85,274	1,339,947	-	2,670,243	4,095,464
<b>TOTAL REVENUES</b>	<b>13,458,563</b>	<b>1,339,947</b>	<b>1,124,268</b>	<b>3,246,522</b>	<b>19,169,300</b>
<b><u>EXPENDITURES</u></b>					
Current:					
Instruction:					
Regular education programs	6,369,947	323,081	109,678	473,140	7,275,845
Special education programs	1,680,721	-	-	204,975	1,885,696
Vocational education programs	346,066	-	-	218,257	564,323
Other education programs	320,759	564,149	-	43,512	928,420
Support:					
Pupil support services	523,450	93,141	-	238,671	855,262
Instructional staff services	653,896	282,139	-	160,655	1,096,690
General administration services	733,986	7,131	6,693	591	748,401
School administration services	1,097,207	1,802	-	3,264	1,102,273
Business and central services	259,239	-	-	-	259,239
Plant operation and maintenance	1,300,170	-	97,231	-	1,397,401
Transportation	970,444	34	18,481	1,008	989,967
Food services	173,930	-	-	1,119,989	1,293,919
Central services	1,875	-	-	-	1,875
Community services	7,016	-	-	-	7,016
Facility acquisition and construction	560	-	102,348	963,247	1,066,155
<b>TOTAL EXPENDITURES</b>	<b>14,439,266</b>	<b>1,271,477</b>	<b>334,431</b>	<b>3,427,308</b>	<b>19,472,481</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(980,702)</b>	<b>68,470</b>	<b>789,837</b>	<b>(180,786)</b>	<b>(303,181)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	\$ 1,267,849	\$ -	\$ -	\$ -	\$ 1,267,849
Transfers out	-	(70,588)	(1,164,169)	(33,092)	(1,267,849)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,267,849</b>	<b>(70,588)</b>	<b>(1,164,169)</b>	<b>(33,092)</b>	<b>-</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>					
	287,147	(2,118)	(374,332)	(213,878)	(303,181)
Fund balances, June 30, 2004 (See Footnote 12)	4,251,383	14,807	2,325,505	1,035,958	7,627,653
<b>FUND BALANCES, JUNE 30, 2005</b>	<b>\$ 4,538,530</b>	<b>\$ 12,689</b>	<b>\$ 1,951,173</b>	<b>\$ 822,080</b>	<b>\$ 7,324,472</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2005**

Deficiency of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds		\$ (303,181)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 1,156,704	
Depreciation expense for year ended June 30, 2005	<u>(471,405)</u>	685,299
Long Term Debt:		
Change in established claims liability	184,000	
Change in compensated absences liability	<u>6,258</u>	<u>190,258</u>
Change in Net Assets - Governmental Activities		<u>\$ 572,376</u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

**JUNE 30, 2005**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 677,592
Investments	<u>10,000</u>
 TOTAL ASSETS	 <u><u>\$ 687,592</u></u>
 <b><u>LIABILITIES</u></b>	
Due other funds	\$ 200,947
Amounts held for schools	196,527
Due to other governments	198,820
Sales tax escrow	<u>91,298</u>
 TOTAL LIABILITIES	 <u><u>\$ 687,592</u></u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is currently comprised of 12 members who are elected from 7 districts for a term of four years.

The School Board operates 7 schools within the parish with a total enrollment of approximately 2,600 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

**1. Summary of Significant Accounting Policies**

**a. Reporting Entity**

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered *separate reporting entities* and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity.

**b. Basis of Presentation**

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major fund and combined non-major fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

All programs of the School Board are considered *governmental activities* which are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements**

The daily accounts and operations of the School Board continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

**General Fund** - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant and entitlement programs established for various educational objectives as well as for the proceeds of a 1.0% sales tax.

**Debt Service Fund** - The Debt Service Fund, established to meet requirements of bond ordinances, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

**Capital Projects Fund** - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

**Fiduciary Fund Type - Agency Funds:**

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

c. **Basis of Accounting/Measurement focus**

**Government-Wide Financial Statements (GWFS)**

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting\ Measurement focus** (continued)

**Government-Wide Financial Statements (GWFS)** (continued)

for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

**Revenues**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Board definition of available generally means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting/Measurement focus** (continued)  
**Revenues** (continued)

in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but can be paid over a period up to twelve months.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded as a general long-term debt.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

d. **Budget Practices**

The proposed budgets for fiscal year 2005 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2005 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is reappropriated in the next year. Current year transactions which are directly related to the prior year's budget are reappropriated in the current year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in a public meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies** (continued)

e. **Cash, Cash Equivalents, and Investments**

Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents includes cash on hand and cash on deposit with the fiscal agent bank. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

f. **Federal Grants Receivable**

Federal grants receivable consists of receivables for reimbursement of expenditures under various federal programs and grants. All amounts are expected to be collected within the period of availability.

g. **Inventory**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at the lower of cost or market (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

h. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets of \$5,000.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 15 years for equipment, 10 to 20 years for building and land improvements, and 40 years for buildings.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies** (continued)

**i. Vacation, Sick and Sabbatical Leave**

All twelve-month employees earn ten days of cumulative vacation leave each year. Upon retirement or separation of employment, all unused accumulated vacation leave is paid to all eligible employees or to their estates.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or for professional and cultural improvement.

Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

**j. Sales Taxes**

The East Feliciana Parish School Board receives a two percent sales and use tax within East Feliciana Parish.

A one percent sales and use tax was renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries, and the remainder of the proceeds are to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish.

An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and expires on December 31, 2007. This sales tax is dedicated to capital improvements of the public school system of East Feliciana Parish, to pay any indebtedness incurred in making capital improvements, and to pay maintenance and operation expenses of the School Board.

The sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Police Jury. The Police Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

## **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Summary of Significant Accounting Policies (continued)**

##### **k. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **2. Property Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. The Sheriff of East Feliciana Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

Property taxes are recognized as revenue in the calendar year for which they are budgeted. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

The following is a summary of parish-wide authorized and levied ad-valorem taxes for the year:

	<u>Date of Levy</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes				
Constitutional	September 2002	5.00	3.34	None
School Board Salary	September 2002	17.00	15.51	2006

#### **3. Cash**

The School Board's cash and cash equivalents consist solely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$8,636,477 and the bank balance was \$10,021,591. The deposits were not subject to custodial credit risk.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**4. Due From/To Other Funds**

Individual balances due from/to other funds at year end are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 2,921,477	\$ 1,764,551
Federal NCLB Funds	-	427,783
Operations and Maintenance	6,164	-
Non-major Governmental Funds	195	534,555
Agency Fund – Sales Tax Collections	-	200,947
Total	<u>\$ 2,927,836</u>	<u>\$ 2,927,836</u>

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2005 are as follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
Cost at June 30, 2004	\$ 847,658	\$ 14,126,246	\$ 1,295,364	\$ 565,996	\$ 16,835,264
Prior period correction	( - )	25,645	28,683	40,609	94,937
Cost at June 30, 2004 as restated	847,658	14,151,891	1,324,047	606,605	16,930,201
Additions	-	1,682,101	39,572	41,625	1,763,298
Deletions	( - )	( - )	( 196,950 )	( 606,605 )	( 803,555 )
Cost at June 30, 2005	<u>847,658</u>	<u>15,833,992</u>	<u>1,166,669</u>	<u>41,625</u>	<u>17,889,944</u>
Accumulated depreciation, June 30, 2004	( - )	( 7,554,317 )	( 1,036,329 )	( - )	( 8,590,646 )
Prior period correction	( - )	( 27,725 )	6,076	( - )	( 21,649 )
Accumulated depreciation June 30, 2004, as restated	( - )	( 7,582,042 )	( 1,030,253 )	( - )	( 8,612,295 )
Additions	( - )	( 399,610 )	( 71,799 )	( - )	( 471,409 )
Deletions	( - )	( - )	196,950	-	196,950
Accumulated depreciation, June 30, 2005	<u>-</u>	<u>( 7,981,652 )</u>	<u>( 905,102 )</u>	<u>( - )</u>	<u>( 8,886,754 )</u>
Capital assets, net of accumulated depreciation, at June 30, 2005	<u>\$ 847,658</u>	<u>\$ 7,852,340</u>	<u>\$ 261,567</u>	<u>\$ 41,625</u>	<u>\$ 9,003,190</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**6. General Long-term Debt**

The following is a summary of the changes in general long-term debt for the year ended June 30, 2005:

	Balance 6/30/04	Additions	Net Adjustments and payments	Balance 6/30/05
Claims and assessments	\$ 184,000	\$ 50,000	(\$ 184,000)	\$ 50,000
Compensated absences	353,006	-	( 6,261)	346,745
Total	<u>\$ 537,006</u>	<u>\$ 50,000</u>	<u>(\$ 190,261)</u>	<u>\$ 396,745</u>

In accordance with LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the net assessed value of taxable property. At June 30, 2005, the net assessed value of taxable property for the parish was \$769,867,700, which would result in a \$192,466,925 long-term bonded debt limit.

**7. Operating Lease**

The School Board leases school buses through a lease arrangement which qualifies as an operating lease. Lease payments in the amount of \$95,000 are scheduled annually over a 5 year period ending September 30, 2006.

Minimum future lease payments under non-cancellable lease agreements in effect at June 30, 2005, are as follows:

<u>Year ended June 30,</u>	<u>Total</u>
2006	\$ 95,000
2007	95,000
	<u>\$ 190,000</u>

Subsequent to the fiscal year end the School Board amended their operating lease arrangement extending it for an additional five year term beginning September 30, 2005.

**8. Retirement Systems**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**8. Retirement Systems (continued)**

**A. Teachers' Retirement System of Louisiana (TRS)**

*Plan Description.* The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

*Funding Policy.* Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.5 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad-valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ended June 30, 2005, 2004, and 2003, were \$1,437,454, \$1,361,407, and \$1,281,210, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

*Plan Description.* The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

*Funding Policy.* Plan members are required to contribute 7.5 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The actuarially determined obligation for the School Board was 14.8 percent for the year ended June 30, 2005. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**8. Retirement Systems (continued)**

The School Board's contributions to the LSERS for the years ended June 30, 2005, 2004, and 2003 were \$134,809, \$82,701, and \$0, respectively.

**9. Postretirement Health Care Benefits**

The School Board provides certain continuing health care and life insurance benefits for its retired employees in accordance with state statutes. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through two insurance companies whose monthly premiums are paid jointly by the retirees, the State Employee Group Benefits Program (the State), and by the School Board. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the premiums are due. The School Board's cost of providing all health care benefits to the retired employees amounted to \$694,071 for 2005.

**10. Interfund Transfers**

Interfund transfers for the year ended June 30, 2005, were as follows:

<u>Transfers From:</u>				
	<u>Federal NCLB Funds</u>	<u>Operations &amp; Maintenance</u>	<u>Non-major Governmental</u>	<u>Total</u>
<u>Transfers To:</u>				
General Fund	\$ <u>70,588</u>	\$ <u>1,164,169</u>	\$ <u>33,092</u>	\$ <u>1,267,849</u>

Transfers between funds generally consist of two types: 1) Transfers to the general fund from the other funds for indirect cost reimbursements and salary supplements; 2) Transfers from the operations and maintenance fund to capital projects funds to supplement capital improvements.

**11. Litigation, Claims and Contingencies**

The School Board is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board.

Of particular note, the School Board is a defendant in a lawsuit in which, if judgment is rendered in favor of the plaintiff, could result in damages exceeding the policy limits of its liability insurance coverage of \$1,000,000 per incident. Such excess amounts could be substantial. The ultimate amount of damages is not estimable at this time. However, a liability of \$25,000 equal to the insurance policy deductible, is recorded as a long-term liability in the statement of net assets.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**11. Litigation, Claims and Contingencies** (continued)

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the 1997 OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations". Additionally, these programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

**12. Restatement of Prior Year Fund Balance and Net Assets**

Interfund accounts payable and payroll clearing accounts were corrected in the current year for an inadvertent prior year posting error. In addition, as required by Governmental Accounting Standards Board Statement No. 34, expenditures for purchases of equipment or improvements are to be capitalized. A correction has been made for additional assets and related accumulated depreciation not previously recorded. As a result, fund balances and net assets have been restated in the financial statements as follows:

	<u>General Fund</u>	<u>Government Wide Statements</u>
Fund balance/net assets as of June 30, 2004		
as previously stated	\$ 4,244,999	\$ 15,328,881
Payroll clearing adjustment	6,384	6,384
Capitalized assets	-	94,935
Accumulated depreciation	-	( 21,659)
Fund balance/net Assets		
as of June 30, 2004, as restated	<u>\$ 4,251,383</u>	<u>\$ 15,408,541</u>

**13. Subsequent Event**

In October 2005, the voters of East Feliciana Parish approved the continuation of a 1% sales tax for a period of ten years, commencing on January 1, 2007. The tax collected has been rededicated and 91% is to be used for the purpose of paying salaries and benefits for all employees of the School System and the remaining 9%, for maintaining and operating public schools in East Feliciana Parish. In addition, the voters approved a 1% sales and use tax renewal for a period of ten years for School District No. 1 of the East Feliciana Parish School Board, commencing on July 1, 2007. These proceeds are to be used for paying teachers' salaries and benefits and for constructing, maintaining and operating public schools within the District. A minimum of one-half of the proceeds are to be used for teachers' salaries and benefits.

The voters of East Feliciana Parish also approved a 17-mill property tax renewal for a period of ten years, beginning with the year 2007 and ending in 2016. Proceeds for this are to be used for paying salaries and benefits for teachers and other employees of the District.

**14. Deficit Fund Equity**

Other Federal Funds has a deficit of \$21,160 in unreserved fund balance at June 30, 2005. This deficit may need to be absorbed by the General Fund.



**COMBINING STATEMENTS**  
**SUPPLEMENTAL INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**BUDGETARY COMPARISON SCHEDULES**

**MAJOR FUND DESCRIPTIONS**

**JUNE 30, 2005**

Budgetary comparison schedules are reported for the following general and special revenue funds:

**GENERAL FUND**

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

**No Child Left Behind (NCLB) Fund**

The No Child Left Behind Act (NCLB) fund accounts for an array of federally funded programs aimed at improving low achieving schools with emphasis on at-risk students. These programs are overseen by the Louisiana Department of Education.

**Operations and Maintenance Fund**

The Operations and Maintenance Fund (formerly the Sales Tax Debt Service Fund) accounts for the proceeds of the one cent sales tax approved by the voters on October 17, 1981 and expiring on December 31, 2007. The original debt associated with this tax has been retired; however, the voter referendum allows for a broader use of the proceeds, beyond payment of debt. In recent years, the School Board has used the proceeds to fund salary supplements and capital improvements.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad-valorem	\$ 930,000	\$ 1,119,598	\$ 1,139,112	\$ 19,514
Sales and use	954,000	954,000	1,092,082	138,082
Earnings on investments	25,000	46,285	60,727	14,442
Other	69,200	64,500	291,332	226,832
State sources:				
Unrestricted grants-in-aid	10,429,571	10,511,679	10,559,835	48,156
Revenue sharing	53,000	53,000	73,479	20,479
Restricted grants-in-aid	-	-	156,722	156,722
Federal sources:				
Grants-in-aid	85,000	78,235	85,274	7,039
Total revenues	<u>12,545,771</u>	<u>12,827,297</u>	<u>13,458,563</u>	<u>631,265</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	5,948,061	6,269,537	6,369,947	(100,410)
Special education programs	1,555,716	1,621,797	1,680,721	(58,924)
Vocational education programs	326,713	343,761	346,066	(2,305)
Other education programs	321,355	320,436	320,759	(323)
Support services:				
Pupil support services	547,500	554,124	523,450	30,674
Instructional staff services	491,300	512,393	653,896	(141,503)
General administration services	621,510	738,712	733,986	4,726
School administration services	978,763	988,147	1,097,207	(109,060)
Business administration services	201,334	201,334	259,239	(57,905)
Plant operation and maintenance	1,141,915	1,118,315	1,300,170	(181,855)
Transportation	939,390	982,565	970,444	12,121
Food services	125,151	152,252	173,930	(21,678)
Central services	3,850	3,850	1,875	1,975
Community services	7,200	9,208	7,016	2,192
Capital outlay:				
Facilities acquisition and construction	-	561	560	1
Total expenditures	<u>13,209,758</u>	<u>13,816,992</u>	<u>14,439,266</u>	<u>(622,275)</u>
Deficiency of revenues over expenditures	\$ (663,987)	\$ (989,695)	\$ (980,702)	\$ 8,991

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b><u>Other financing sources (uses):</u></b>				
Operating transfers in	\$ 790,000	\$ 1,189,000	\$ 1,267,849	\$ 78,849
Operating transfers out	<u>(170,264)</u>	<u>(170,264)</u>	<u>-</u>	<u>170,264</u>
Total other financing sources (uses)	<u>619,736</u>	<u>1,018,736</u>	<u>1,267,849</u>	<u>249,113</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	(44,251)	29,041	287,147	258,106
Fund balances, June 30, 2004	<u>4,251,383</u>	<u>-</u>	<u>4,251,383</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 4,207,132</u>	<u>\$ 29,041</u>	<u>\$ 4,538,530</u>	<u>\$ 258,106</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NCLB ACT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	NCLB Act Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Federal sources:				
Grants-in-aid - subgrants	\$ 1,130,753	\$ 1,130,753	\$ 1,339,947	\$ 209,194
Total revenues	<u>1,130,753</u>	<u>1,130,753</u>	<u>1,339,947</u>	<u>209,194</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	287,323	287,323	323,081	(35,758)
Other education programs	501,710	501,710	564,149	(62,439)
Support services:				
Pupil support services	82,832	82,832	93,141	(10,309)
Instructional staff services	250,912	250,912	282,139	(31,227)
General administration services	6,342	6,342	7,131	(789)
School administration services	1,603	1,603	1,802	(199)
Transportation	31	31	34	(3)
Total expenditures	<u>1,130,753</u>	<u>1,130,753</u>	<u>1,271,477</u>	<u>(140,724)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>68,470</u>	<u>68,470</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(70,588)</u>	<u>(70,588)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(70,588)</u>	<u>(70,588)</u>
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,118)</u>	<u>(2,118)</u>
Fund balances at beginning of year	<u>14,807</u>	<u>14,807</u>	<u>14,807</u>	<u>-</u>
Fund balances at end of year	<u>\$ 14,807</u>	<u>\$ 14,807</u>	<u>\$ 12,689</u>	<u>\$ (2,118)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**OPERATION AND MAINTENANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Operations and Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 1,000,000	\$ 1,000,000	\$ 1,092,082	\$ 92,082
Earnings on investments	20,000	20,000	32,186	12,186
Total revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,124,268</u>	<u>104,268</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	-	-	109,678	(109,678)
Support services:				
General administration services	30,000	30,000	6,693	23,307
Plant operation and maintenance	-	-	97,231	(97,231)
Transportation	-	-	18,481	(18,481)
Capital Outlay				
Facilities acquisition and construction	270,000	270,000	102,348	167,652
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>334,431</u>	<u>(34,431)</u>
Excess of revenues over expenditures	<u>720,000</u>	<u>720,000</u>	<u>789,837</u>	<u>69,836</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(720,000)</u>	<u>(720,000)</u>	<u>(1,164,169)</u>	<u>(444,169)</u>
Total other financing uses	<u>(720,000)</u>	<u>(720,000)</u>	<u>(1,164,169)</u>	<u>(444,169)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	-	(374,332)	(374,332)
Fund balances, June 30, 2004	<u>2,325,505</u>	<u>2,325,505</u>	<u>2,325,505</u>	-
FUND BALANCES, JUNE 30, 2005	<u>\$ 2,325,505</u>	<u>\$ 2,325,505</u>	<u>\$ 1,951,173</u>	<u>\$ (374,332)</u>

## **EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

### **NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**JUNE 30, 2005**

#### **Other Federal Funds**

This Special Revenue Fund accounts for the federal awards not included in the Federal (NCLB) Fund. These include the Special Education, Vocational Education, Starting Points, Drug Free School program and others.

#### **State Grants**

This Special Revenue Fund accounts for the various State awards including 8(G), Lincs, Tobacco Settlement and other awards.

#### **School Food Service Fund**

The School Food Service Fund is used to account for the operations of the school food service program during the regular school term. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

#### **Consolidated School District No. 1 Debt Service Funds**

The Consolidated School District No. 1 Debt Service Fund was initially established to account for monies collected for payment of a \$5,445,000 bond issue, which is financed by a special property tax. Although the bonds for which these monies were accumulated to pay have been retired, the residual finds continue to be accounted for in the debt service fund.

#### **Capital Projects Funds**

These funds account for various major capital improvements, including the federally awarded School Renovation Grant.

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2005**

	Special Revenue		
	Other Federal Funds	State Grants	School Food Service
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 11,740	\$ -	\$ 664,611
Due from other funds	-	-	-
Due from other governments	262,560	272,337	-
Inventory	-	-	23,349
<b>TOTAL ASSETS</b>	<b>\$ 274,300</b>	<b>272,337</b>	<b>\$ 687,960</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 29,246	\$ 15,598	\$ 107,548
Due to other funds	266,214	207,881	60,460
Deferred revenues	-	-	12,816
<b>TOTAL LIABILITIES</b>	<b>295,460</b>	<b>223,479</b>	<b>180,824</b>
Fund balances (deficit):			
Reserved for inventory	-	-	10,533
Reserved for debt service	-	-	-
Unreserved, reported in:			
Special Revenue Fund	(21,160)	48,858	496,603
Capital Projects Fund	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(21,160)</b>	<b>48,858</b>	<b>507,136</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 274,300</b>	<b>\$ 272,337</b>	<b>\$ 687,960</b>



Debt Service	Capital Projects Funds		Total
	School Renovation Fund	Other Capital Projects	
\$ 365,246	\$ (3,692)	\$ 9,486	\$ 1,047,391
-	-	195	195
-	98,851	-	633,748
-	-	-	23,349
<u>\$ 365,246</u>	<u>\$ 95,159</u>	<u>\$ 9,681</u>	<u>\$ 1,704,683</u>
\$ -	\$ 95,159	\$ -	\$ 247,551
-	-	-	534,555
87,681	-	-	100,497
<u>87,681</u>	<u>95,159</u>	<u>-</u>	<u>882,603</u>
-	-	-	10,533
277,565	-	-	277,565
-	-	-	524,301
-	-	9,681	9,681
<u>277,565</u>	<u>-</u>	<u>9,681</u>	<u>822,080</u>
<u>\$ 365,246</u>	<u>\$ 95,159</u>	<u>\$ 9,681</u>	<u>\$ 1,704,683</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2005**

	Special Revenue Funds		
	Other Federal Funds	State Grants	School Food Service
<b><u>REVENUES</u></b>			
Local sources:			
Ad valorem taxes	\$ -	\$ -	\$ -
Earnings on investments	-	-	8,312
Other	464	-	74,647
State sources:			
Unrestricted grants-in-aid, MFP	-	-	25,536
Restricted grants-in-aid	-	460,040	-
Federal grants	723,191	-	983,806
<b>TOTAL REVENUES</b>	<b>723,655</b>	<b>460,040</b>	<b>1,092,301</b>
<b><u>EXPENDITURES</u></b>			
Current:			
Instruction:			
Regular education programs	42,942	430,198	-
Special education programs	202,237	2,738	-
Vocational education programs	58,550	159,707	-
Other education programs	43,512	-	-
Support:			
Pupil support services	238,671	-	-
Instructional staff services	143,420	-	17,235
General administration services	364	-	227
School administration services	3,247	-	17
Transportation	1,008	-	-
Food services	-	-	1,119,989
Facility acquisition and construction	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>733,951</b>	<b>592,643</b>	<b>1,137,468</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (10,296)</b>	<b>\$ (132,603)</b>	<b>\$ (45,167)</b>

Debt Service	Capital Projects Funds		Total Non-Major Governmental
	School Renovation Fund	Other Capital Projects	
\$ 1,797	\$ -	\$ -	\$ 1,797
5,344	-	139	13,795
-	-	-	75,111
-	-	-	25,536
-	-	-	460,040
-	963,247	-	2,670,244
7,141	963,247	139	3,246,523
-	-	-	473,140
-	-	-	204,975
-	-	-	218,257
-	-	-	43,512
-	-	-	238,671
-	-	-	160,655
-	-	-	591
-	-	-	3,264
-	-	-	1,008
-	-	-	1,119,989
-	963,247	-	963,247
-	963,247	-	3,427,309
\$ 7,141	\$ -	\$ 139	\$ (180,786)

(continued)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2005**

	Special Revenue		
	Other Federal Funds	State Grants	School Food Service
<b><u>OTHER FINANCING (USES)</u></b>			
Operating transfers out	\$ (33,092)	\$ -	\$ -
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(33,092)</b>	<b>-</b>	<b>-</b>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u></b>	<b>(43,388)</b>	<b>(132,603)</b>	<b>(45,167)</b>
Fund balances, June 30, 2004	22,228	181,461	552,303
<b>FUND BALANCES, JUNE 30, 2005</b>	<b>\$ (21,160)</b>	<b>\$ 48,858</b>	<b>\$ 507,136</b>

Debt Service	Capital Projects Funds		Total Other Governmental
	School Renovation Fund	Other Capital Projects	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,092)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,092)</u>
7,141	-	139	(213,878)
<u>270,424</u>	<u>-</u>	<u>9,542</u>	<u>1,035,958</u>
<u>\$ 277,565</u>	<u>\$ -</u>	<u>\$ 9,681</u>	<u>\$ 822,080</u> (concluded)

EAST FELICIANA PARISH SCHOOL BOARD

Clinton, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (GAAP BASIS) - SCHOOL FOOD SERVICE

FOR THE YEAR ENDED JUNE 30, 2005

	School Food Service		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Local sources:			
Earnings on investments	\$ 3,500	\$ 8,312	\$ 4,812
Other	77,000	74,647	(2,353)
State sources:			
Unrestricted grants-in-aid	170,264	25,536	(144,728)
Federal sources:			
Grants-in-aid - subgrants	879,229	983,806	104,577
Total revenues	<u>1,129,993</u>	<u>1,092,301</u>	<u>(37,692)</u>
<b><u>Expenditures:</u></b>			
Current:			
Support services:			
Instructional staff services	-	17,235	(17,235)
Administrative services	-	244	(244)
Food services	1,129,993	1,119,989	10,004
Total expenditures	<u>1,129,993</u>	<u>1,137,468</u>	<u>(7,475)</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ (45,167)	\$ (45,167)
Fund balances at beginning of year	<u>552,303</u>	<u>552,303</u>	-
Fund balances at end of year	<u>\$ 552,303</u>	<u>\$ 507,136</u>	<u>\$ (45,167)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (GAAP BASIS) - OTHER FEDERAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Other Federal Funds		Variance
	Budget	Actual	Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Local sources:			
Other	\$ -	\$ 464	\$ 464
Federal sources:			
Grants-in-aid - subgrants	782,166	723,191	(58,975)
Total revenues	<u>782,166</u>	<u>723,655</u>	<u>(58,511)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular education programs	4,035	42,942	(38,907)
Special education programs	282,579	202,237	80,342
Vocational education programs	56,325	58,550	(2,225)
Other education programs	3,908	43,512	(39,604)
Support services:			
Pupil support services	235,174	238,671	(3,497)
Instructional staff services	155,862	143,420	12,443
General administration services	-	364	(364)
School administration services	10,190	3,247	6,943
Transportation	1,500	1,008	492
Total expenditures	<u>749,573</u>	<u>733,951</u>	<u>15,622</u>
Deficiency of revenues over expenditures	<u>32,593</u>	<u>(10,296)</u>	<u>(42,889)</u>
<b><u>Other financing uses:</u></b>			
Operating transfer out	<u>(32,593)</u>	<u>(33,092)</u>	<u>(499)</u>
Total other financing uses	<u>(32,593)</u>	<u>(33,092)</u>	<u>(499)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	(43,388)	(43,388)
Fund balances at beginning of year	<u>22,228</u>	<u>22,228</u>	-
Fund balances at end of year	<u>\$ 22,228</u>	<u>\$ (21,160)</u>	<u>\$ (43,388)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**FIDUCIARY FUND TYPE - DESCRIPTIONS**

**JUNE 30, 2005**

**AGENCY FUNDS**

**Sales Tax Fund**

Collection, custodianship and disbursement of sales taxes for the entire parish are accounted for in this fund. The sales taxes consist of a two percent sales and use tax levied by the School Board and a two percent sales and use tax levied by the East Feliciana Parish Police Jury. Since these taxes are remitted to the beneficiary government (including the School Board's General Fund), this fund is considered to be a collection agent.

**School Activity Funds**

The activities of the various school accounts are accounted for in the School Activity Funds. While the funds are under the supervision of the School Board, these funds belong to the individual schools or their student bodies and are not available for use in operations.



**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**COMBINING BALANCE SHEET - AGENCY FUNDS**

**JUNE 30, 2005**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 186,526	\$ 491,066	\$ 677,592
Certificates of deposit	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total assets	<u>\$ 196,526</u>	<u>\$ 491,066</u>	<u>\$ 687,592</u>
<b><u>LIABILITIES</u></b>			
Due other funds	\$ -	\$ 200,948	\$ 200,948
Amounts held for schools	196,526	-	196,526
Due to other governments	-	198,820	198,820
Sales tax escrow	<u>-</u>	<u>91,298</u>	<u>91,298</u>
Total liabilities	<u>\$ 196,526</u>	<u>\$ 491,066</u>	<u>\$ 687,592</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

**FOR THE YEAR ENDED JUNE 30, 2005**

Casey Barnett	\$ 6,550
Micheal Bradford	6,600
Beth Dawson	6,600
Leon Franklin	6,500
Mitch Harrell	6,500
Henry Howell	6,600
Willie Jackson	6,600
Curtis Jelks	7,200
Matthew Peterson	6,400
Anthony Rouchon	6,600
Christopher Rouchon	6,600
Edward Williams	6,500
	<hr/>
	\$ 79,250
	<hr/>

**REPORTS ON COMPLIANCE AND**  
**INTERNAL CONTROL**



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

East Feliciana Parish School Board  
Clinton, Louisiana

We have audited the basic financial statements of the East Feliciana Parish School Board as of and for the year ended June 30, 2005, and have issued our report thereon dated November 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the East Feliciana Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned cost as item 2005-1. However, we believe that the reportable condition referred to above is not a material weakness. Additionally, we noted other matters involving the internal control over financial reporting, which we have reported to management of the East Feliciana Parish School Board in a separate letter dated November 7, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Feliciana Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is reported as item 2005-2 in the accompanying schedule of findings and questioned costs. Additionally, we noted certain instances of immaterial noncompliance that we have reported to management in a separate letter dated November 7, 2005.

This report is intended for the information of the East Feliciana Parish School Board, management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Passthurait + Nettavill*

Baton Rouge, Louisiana  
November 7, 2005



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

East Feliciana Parish School Board  
Clinton, Louisiana

Compliance

We have audited the compliance of the East Feliciana Parish School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The East Feliciana Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the East Feliciana Parish School Board's management. Our responsibility is to express an opinion on the East Feliciana Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a *direct and material effect* on a major federal program occurred. An audit includes examining, on a test basis, evidence about the East Feliciana Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the East Feliciana Parish School Board's compliance with those requirements.

In our opinion, the East Feliciana Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2005-3, 2005-4, 2005-5, 2005-6, 2005-7 and 2005-8.

Internal Control Over Compliance

The management of the East Feliciana Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the East Feliciana Parish School Board's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

#### Internal Control Over Compliance (continued)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in internal control over financial reporting that, in our judgment, could adversely effect the School Board's ability to administer a major federal program in accordance with the applicable laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned cost as items 2005-3 and 2005-4.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable laws, regulations, contracts or grants caused by error or fraud that would be material in relation to a federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions referred to above is a material weakness.

#### Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the East Feliciana Parish School Board as of and for the year ended June 30, 2005, and have issued our report thereon dated November 7, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the East Feliciana Parish School Board, management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Peatthurat & Mettrich*

Baton Rouge, Louisiana  
November 7, 2005

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>			
Pass-through program from Louisiana Department of Education:			
National School Lunch Program	N/A	10.555	\$ 649,782
School Breakfast Program	N/A	10.553	224,288
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	74,410
Summer Food Service Program for Children	N/A	10.559	35,326
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>983,806</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>			
Pass-through program from Louisiana Department of Education:			
Title I Grants to Local Education Agencies	03-T1-19-C	84.010	(305)
Title I Grants to Local Education Agencies	04-T1-19	84.010	54,400
Title I Grants to Local Education Agencies	04-T1-19-C	84.010	33,449
Title I Grants to Local Education Agencies	05-T1-19	84.010	775,678
Title II - Improving Teacher Quality	02-50-19	84.367	471
Title II - Improving Teacher Quality	04-50-19	84.367	35,095
Title II - Improving Teacher Quality	05-50-19	84.367	221,643
Special Education - Grant to States	04-B1-19	84.027	63,520
Special Education - Grant to States	05-B1-19	84.027	404,699
Special Education - Preschool Grants	04-P1-19	84.173	3,438
Special Education - Preschool Grants	05-P1-19	84.173	17,408
Safe Drug-Free Schools and Communities Greatest Needs	01-07-19-D	84.186	(1,340)
Safe Drug-Free Schools and Communities Greatest Needs	03-70-19-C	84.186	4,445
Safe Drug-Free Schools and Communities Greatest Needs	04-70-19-D	84.186	200
Safe Drug-Free Schools and Communities Greatest Needs	05-70-19	84.186	3,762
Enhancing Education through technology	04-49-19	84.318	13,173
Enhancing Education through technology	05-49-18	84.318	30,095
Adult Education - Federal Grant Program		84.002	25,682
Vocational Education - Basic Secondary	04-02-19-C	84.048	839
Vocational Education - Basic Secondary	05-02-19	84.048	58,189
Innovative Education Programs	04-80-19	84.298	283
Innovative Education Programs	05-80-19	84.298	11,901
Comprehensive School Reform	03-T6-19-C	84.332	11,257
Comprehensive School Reform	05-T6-19	84.332	72,137
School Renovation grants		N/A	963,247
Rural Education	04-RE-19	84.358	17,950
Rural Education	05-RE-19	84.358	34,945
Education for the Homeless	05-HI-19	84.196	40,269
Math and Science Partnerships	04-MP-19	84.366	3,350
Learning with Public Purpose	N/A	N/A	5,000
Teaching American History Grant	N/A	N/A	370
Direct Funding:			
Twenty - First Century Community Learning Centers	N/A	84.287	71,602
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,976,832</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Pass-through program from Louisiana Department of Education			
Office of Student Standards and Assessments			
Temporary Assistance for Needy Families - Starting Points	05-SP-19	93.558	34,692
Temporary Assistance for Needy Families - Starting Points	03-SP-19	93.558	351
Temporary Assistance for Needy Families - Child Literacy	03-MS-19	93.558	5,991
Temporary Assistance for Needy Families - Pre GED Skills Option	03-BG-19	93.558	34,181
TOTALS			<u>75,215</u>
<b><u>UNITED STATES ARMY</u></b>			
Direct Funding:			
R.O.T.C.	N/A	N/A	85,274
Total Expenditures of Federal Awards			\$ <u>4,121,147</u>
See the accompanying notes to the schedule of expenditures of federal awards			



**EAST FELICIANA PARISH SCHOOL BOARD**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East Feliciana Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2005, the organization had food commodities totaling \$12,816 in inventory. The value of commodities received and used during the period ended June 30, 2005 totaled \$74,410.

**NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2005 basic financial statements.

General Fund	\$ 85,274
Federal NCLB Funds	1,339,947
Other Federal Funds	723,191
School Food Service Fund	983,806
School Renovation Grant	963,247
Adult Education funding included in	
General Fund state sources – restricted grants in aid	<u>25,682</u>
	<u>\$ 4,121,147</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☒ yes ☐ no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.010

Title I

10.550 - 10.555

National School Lunch/Breakfast Program

84.352

School Renovation Grants

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The East Feliciana Parish School Board qualified as a low-risk auditee.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**B. Findings – Financial Statement Audit**

**2005-1      Records of Property, Plant and Equipment**

Criteria:                      LSA- RS 24:5157 requires local governments to maintain accurate records of property and equipment, which reflect assets acquired and disposed of and the costs of those items.

Condition:                      While the School Board does maintain records of property and equipment, and the annual inventory has been conducted, the School Board records were not updated to reflect the physical inventory. Additionally, the software program used to account for these assets lacks appropriate checks and balances to ensure accuracy of the calculations being made.

Questioned Costs:      N/A

Effect:                              If the School Board's records do not reflect the most recent physical inventory, accurate cost data and depreciation calculations, then the financial statements are at risk for inaccuracy. Additionally, unauthorized use of the property may not be detected.

Recommendation:      In order to ensure accurate financial reporting as well as to detect potential unauthorized use of School Board property, comprehensive physical inventories should be conducted annually. The centralized property and equipment records should be updated to reflect the results of the inventory. Additions to the records should be periodically reconciled to equipment expenditure accounts to ensure agreement. Given this is the second year for this finding, the School Board should consider outsourcing these services to an independent consultant who is knowledgeable in fixed asset management and record keeping.

Views of responsible officials and planned corrective actions:

Comprehensive physical inventories will be done annually and additions to the records will be periodically reconciled to equipment expenditures.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**2005-2**

**Budget Law Violation**

Criteria: La Revised Statute 39:1310 requires governments to amend general and special revenue fund budgets when actual expenditures plus expected expenditures exceed budgeted amounts by 5% or more or when actual revenues plus expected revenues will fall short of budgeted amounts by 5% or more.

Condition: The Operation and Maintenance Fund's actual expenditures exceeded budget expenditures by 46.9%.

Questioned Costs: N/A

Effect: The School Board is in violation of the statute.

Recommendation: We recommend that all funds adhere to the adopted budget and monitor compliance. When it becomes apparent that expenditures will exceed the budget by 5% or more, or when revenues will fall short by 5% or more, the budget should be brought before the board for amendment.

**Views of responsible officials and planned corrective actions:**

All funds will adhere to the adopted budget and monitor compliance. When it becomes apparent that expenditures will exceed the budget by 5% or more, or when revenues will fall short by 5% or more, the budget will be brought before the board for an amendment.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**C. Findings and Questioned Costs – Major Federal Award Programs**

*CFDA #10.555 National School Lunch Program*

**2005-3            Cash Management**

Criteria:            As required by Section 305(A)3(a) of Bulletin 1196 titled, "Louisiana Food Nutrition Program Policies of Operation", the School Food Authority shall limit its net cash resources to an amount that does not exceed three months of average expenditures at the end of the reporting period.

Condition:        The School Lunch Program of the East Feliciana Parish School Board (the Program) had cash balance which exceeded the allowable three months of average expenditures at June 30, 2005.

Questioned Costs:    Approximately \$200,000 in excess cash.

Effect:            The Program is required to provide a corrective action to the State Department of Education and a time frame for expending these additional funds.

Recommendation:    In order to ensure compliance with the requirements of Bulletin 1196, the Program should monitor on a monthly basis the net cash resources available.

**Views of responsible officials and planned corrective actions:**

The Program Director disagrees with the auditor's findings in this section of the audit report. The total net cash did not exceed \$200,000.00. Bulletin 1196 states SFS Net Cash Resource shall be limited to an amount that does not exceed three months average expenditures for its nonprofit school food service. The food service department launched a campaign to increase student participation in order that the federal reimbursements be increased to make major repairs on old equipment and purchase much needed new equipment. The amount in excess of a three-month operating period for the 03-04 school year was \$103,521.99. Bulletin 1196 also states that the SFS must give an explanation and time frame on how the funds will be spent and submitted to the State for approval. This information was submitted to the SDOE and was approved. Federal reimbursement to this district was not decreased. Although the SDOE approved the action plan, the past superintendent did not allow these funds to be used in the manner by which they were approved by the SDOE. These funds were carried over into the 04-05 school year. Additionally, \$42,943.30 was accumulated in the 04-05 school year. The Net Cash Resource totaled \$146,465.29. An Expense Report was submitted to the SDOE on 8/19/05. An action plan also accompanied this report. The plan of action as well as the entire School Food Service Application was approved by the SDOE on November 22, 2005. The plan of action is to purchase new equipment and make needed repairs on existing equipment.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**2005-4**      **Special Tests – Income Verification/Sampling**

- Criteria:            As required under the compliance provisions for the National School Lunch Program, the School Food Authority must verify the current free and reduced price eligibility of households selected from a sample of approved free or reduced applications on file as of October 31<sup>st</sup>.
- Condition:            *The School Lunch Program of East Feliciana Parish School Board performed the re-verification of the required sample of approved applications. However, the verification procedures resulted in changes to eligibility status, which were not made into the school lunch computer system.*
- Questioned Costs:    Unknown
- Effect:                As a result of failure to change the eligibility status of 3 out of the 9 students sampled, the Program was over compensated for lunches served.
- Recommendation:    The School Food Service Program should put procedures in place to ensure that student's eligibility status is changed accordingly.

Views of responsible officials and planned corrective actions:

The SDOE requires that the verification process be complete by SFA by December 15. Until December 2004, the Child Nutrition Program supervisor oversaw the entire verification process in SFS. The CNP Supervisor was on involuntary leave last year beginning December 10 and, therefore, was not able to oversee the verification process. To correct this situation, the Supervisor promises to continue the procedures that were in place prior to the 2004-05 school year.

**2005-5**      **Procurement Procedures**

- Criteria:            LSA-RS 38:2212.1 states that "purchases of materials and supplies in excess of \$20,000 shall be advertised and let by contract to the lowest bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided by this part".
- Condition:            The Program purchased produce without undergoing the bid process.
- Questioned Costs:    Total annual purchases of approximately \$22,000.
- Effect:                The School Board may be out of compliance with the statute referred to above. As a result, the School Board may not be receiving the lowest price for its goods and services.
- Recommendation:    All purchases in excess of \$ 20,000 should be bid in accordance with the statute referred to above.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**2005-5**      **Procurement Procedures** (continued)

Views of responsible officials and planned corrective actions:

The Program Director disagrees with these findings. Bulletin 1196 states that competitive negotiation will be used when competitive sealed bids are determined to be inappropriate or unfeasible. Competitive negotiation is often used for the purchase of produce and the acquisition of professional services. Produce is commonly purchased by obtaining written quotes based on written specifications. The CNP in this district sends a quotation form to vendors before submitting orders for produce. These documents were reproduced and given to the auditors. See Bulletin 1163 page 98: 1509 Other Procurement Methods

*CFDA #84.287 Twenty-First Century Community Learning Centers*

**2005-6**      **Suspension and Debarment**

Criteria:      Under the compliance provisions of the OMB Circular A-133 Compliance Supplement, as amended, an entity is prohibited from contracting with vendors that are suspended or debarred from conducting business with federal award programs. Under these provisions, an entity must certify that a vendor is not suspended or debarred under transactions that are expected to equal or exceed \$25,000. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), which can be accessed on the Internet (<http://epls.arnet.gov>).

Condition:      The Twenty-First Century Program has not implemented procedures to document whether it has verified the suspension and debarment status of its vendors in accordance with federal regulations.

Questioned Costs:      N/A

Effect:      The Twenty-First Century Program is in violation of the requirements of the OMB Circular A-133 Compliance Supplement, as amended.

Recommendation:      Procedures should be implemented to document compliance with the suspension and debarment provisions of the OMB Circular A-133 Compliance Supplement, as amended.

Views of responsible officials and planned corrective actions:

Procedures will be implemented to document compliance with the suspension and debarment provisions of the OMB Circular A-133 Compliance Supplement, as amended.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*CFDA #84.010 Title I*

**2005-7**      **Unallowable Costs**

Criteria:                      Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. These provisions are incorporated by reference into all grant agreements or program regulations.

Condition:                      Title I funds were used to pay a loan financed through Sallie Mae for tuition costs associated with meeting the requirements in becoming "highly qualified". By paying this loan, funds were used to pay interest which is specifically disallowed under OMB Circular A-87. Additionally, documentation did not exist linking the loan to the course for becoming highly qualified.

Questioned Costs:      \$4,082

Effect:                              The Title I program was reimbursed for unallowable costs under this grant.

Recommendation:      Cost charges to grants should be reviewed and closely scrutinized for compliance with the circular and to ensure that the federal program is bearing its fair share of program costs.

**Views of responsible officials and planned corrective actions:**

The item in question was a repayment of tuition fees that Title I paid. Sallie Mae is a higher education lending institution that makes its loan payable to the student and the institution in which he/she attends. Even though there is a finance charge acquired by the loan company, Title I did not pay by Sallie Mae's invoice. The student brings the official billing statement for tuition from Southern University and that is what is paid. We do not pay the interest that is incurred from the loan. As done in the past we will continue to monitor the billing and courses taken to ensure that Title I is not violating any federal regulations of OMB Circular A-87.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*CFDA # 84.352 School Renovation Grants – Clinton Middle School*

**2005-8 Davis-Bacon Wage Compliance**

<u>Criteria:</u>	Recipients of federal grants involving construction activities must monitor the contractors' payrolls to ensure that workers are paid prevailing wage rates for the geographical region.
<u>Condition:</u>	The School Board did not monitor contractor payrolls as required by the Davis-Bacon Act.
<u>Questioned costs:</u>	Undetermined
<u>Effect:</u>	The School Board is out of compliance with this regulation.
<u>Recommendation:</u>	Contractor and subcontractor payrolls should be monitored for compliance, in accordance with the regulations.

**Views of responsible officials and planned corrective actions:**

This grant is not recurring. Should future capital improvement grants be obtained, we will monitor the contractor's compliance with Davis-Bacon provisions.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**Findings – Financial Statement Audit**

**2004-1 Accounting, Reconciliation and Settlement of Interfund Advances.**

- Criteria:** In the routine operation of the school system, amounts are customarily advanced from the general fund to the other funds of the school district in order to pay expenses. The practice of advancing funds is routine and even necessary for the operation federal programs, as federal regulations mandate that the school system front the expense, then seek reimbursement for eligible program costs. When making these advances, proper accounting is essential in order to ensure that advances are returned to the general fund.
- Condition:** In the performance of the audit, we noticed that the amounts due to and from the federal program funds were not reconciled nor settled on a regular basis. Furthermore, the amounts were out of balance with each other (meaning that the due from certain funds did not match the amounts due to in the corresponding funds).
- Effect:** This condition creates several problems. First, as amounts go unsettled, it is less likely that they will ever be collected by the general fund. Secondly, confusion can arise as to what is owed to the general fund, ultimately resulting in loss to the general fund. Furthermore, reconciliation of the advances provides a check and balance against amounts to be received from the State DOE. Without the process of reconciliation of the advances, costs may be omitted from the federal program reimbursement requests, ultimately resulting in lost reimbursement of the federal funds.
- Recommendation:** We recommend that advances to and from all funds be reconciled and settled on a monthly basis. Additionally, we recommend the consolidation of several of the federal fund checking accounts with the general operating account, which can greatly reduce the need for physical transfers of cash.
- Current Status:** The amounts due to the general fund are now settled more timely and balances reconciled in between funds.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-2 Records of Property, Plant and Equipment**

Criteria: LSA- RS 24:5157 requires local governments to maintain accurate records of property and equipment, which reflect assets acquired and disposed of and the costs of those items.

Condition: While the School Board does maintain records of property and equipment, and the annual inventory has been conducted, the central office records were not updated to reflect the physical inventory. Additionally, certain items purchased in 2003-04 were recorded at an estimated cost rather than actual invoiced cost.

Effect: If the central office records do not reflect the most recent inventory and actual costs, then the financial statements are at risk for inaccuracy. Additionally, unauthorized use of the property may not be detected.

Recommendation: In order to ensure accurate financial reporting as well as to detect potential unauthorized use of School Board property, comprehensive physical inventories should be conducted annually. The centralized property and equipment records should be updated to reflect the results of the inventory. Additionally, fixed assets should be recorded at invoiced cost. Additions to the records should be periodically reconciled to equipment expenditure accounts to ensure agreement.

Current Status: This condition still exists and the finding is repeated as finding No. 2005-1.

**2004-3 Public Bid Law**

Criteria: LSA-RS 38:2212.1 states "Purchases of materials and supplies in excess of \$20,000 shall be advertised and let by contract to the lowest bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided by this part".

Condition: During the year under audit several purchases were made and contracts let without the School Board submitting said purchases and contracts to the bid process. The following purchases of materials\supplies may have violated the aforementioned statute:

<u>Fund/Program</u>	<u>Purchases Made</u>	<u>Amount</u>
School Food		
Services	General Food Purchases	\$ 127,420
General Fund	Janitorial Supplies	46,196
Capital Projects	JHS Band Uniforms	28,683
Capital Projects	Athletic Equipment	<u>20,420</u>
Educational		
Excellence	Scanners for reading test scores	<u>36,367</u>
Total		<u>\$ 259,086</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-3 Public Bid Law** (continued)

**Effect:** The School Board may be out of compliance with the statute referred to above. As a result, the School Board may not be receiving the lowest price for its goods and services.

**Recommendation:** All purchases in excess of \$ 20,000 should be bid in accordance with the statute referred to above.

**Current Status:** All materials, supplies, food products and equipment are put out for bid in accordance with state law. The School Board made a concerted effort during the year to more strictly comply with the bid law.

**C. Findings and Questioned Costs – Major Federal Award Programs**

**2004-4 Procurement and Suspension and Debarment**

All federal programs

**Criteria:** Under the compliance provisions of the OMB Circular A-133 Compliance Supplement, as amended, an entity is prohibited from contracting with vendors that are suspended or debarred from conducting business with federal award programs. Under these provisions, an entity must certify that a vendor is not suspended or debarred under transactions that are expected to equal or exceed \$25,000. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), which can be accessed on the Internet (<http://epls.arnet.gov>).

**Condition:** The School Board has not implemented procedures to document whether it has verified the suspension and debarment status of its vendors in accordance with federal regulations.

**Effect:** The School Board is in violation of the requirements of the OMB Circular A-133 Compliance Supplement, as amended.

**Recommendation:** Procedures should be implemented to document compliance with the suspension and debarment provisions of the OMB Circular A-133 Compliance Supplement, as amended.

**Current Status:** Program does not certify against non-debarment nor does it actively search the web-site. Finding repeated.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-5 Allowable Costs**

84.287                      Twenty-First Century Community Learning Centers

Criteria:                      Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. These provisions are incorporated by reference into all grant agreements or program regulations. Costs charges to grants should be reviewed and closely scrutinized for compliance with the circular and to ensure that the federal program is bearing its fair share of program costs.

Condition:                      Program management has not implemented procedures to compare the purchase receipt for goods against the goods received, thereby allowing for the misappropriation of purchases to occur undetected and to permit disallowed costs to be charged to the federal program.

Questioned costs:              approximately \$2,200

Effect:                              An employee of the program charged disallowed personal items to a store credit account held by the School Board. *Due to the lack of monitoring over goods purchased, these purchases were made undetected and charged to the federal program. The employee has been terminated and criminal charges are expected to be filed.*

Recommendation:              We recommend procedures be implemented in which the purchase of goods is verified against the purchase receipt by an individual other than the purchaser. Any costs determined to be disallowed should not be charged to the federal program.

Current Status:                      The individual that purchased these items was terminated. Walmart credit cards are no longer used. All requisitions are now approved on the front-end and invoices are reviewed on the back-end for allowability.

**2004-6 Allowable Costs**

84.287                      Twenty-First Century Community Learning Centers

Criteria:                              Under the cost allowability provisions of OMB Circular A-87, costs charged to federal grants must be authorized and not prohibited under State and local laws or regulations. Louisiana R.S. 42:1112(B) prohibits the participation by any public employee in any transaction in which a member of his immediate family has a substantial economic interest.

Condition:                              The Program Director's son was hired and employed on a part-time basis by the federal program as a student worker and was paid with federal program funds.

Questioned costs:              \$3,144

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-6 Allowable Costs** (continued)

Effect: The Program Director violated state law by hiring an immediate family member. The cost of the employee's wage was therefore an unallowable cost to the grant.

Recommendation: We recommend that the program comply with applicable state laws, including the prohibition on the hiring and employment of immediate family members.

Current Status: The Program Director's son is no longer employed by the School Board.

**2004-7 Equipment**

84.287 Twenty-First Century Community Learning Centers

Criteria: Property and equipment purchased by the school board should be utilized by the school board for its intended purpose.

Condition: Two lap top computers purchased with grant proceeds were stolen from the school district. *The matter has been reported to the local authorities.*

Effect: Public resources may have been misappropriated.

Questioned Cost: \$2,849

Recommendation: The School Board should continue to cooperate with law enforcement in prosecution of these misappropriations. Additionally, the school board should consider methods of strengthening internal controls over laptop computers and other portable equipment.

Current Status: The matter was reported to the Sheriff and the District Attorney. Laptop computers are now inventoried frequently and secured.

**2004-8 Allowable Activities\Costs**

84.010 Title 1

Criteria: Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-8 Allowable Activities\Costs (continued)**

Condition: Certain costs charged to the program appear to be school administrative type costs. Such costs would indirectly benefit all students of a particular school, and not just Title One students. Costs in question include copiers, network servers, and materials and supplies.

Questioned Costs: \$ 16,667

Effect: The program may be bearing more than its fair share of costs.

Recommendation: We recommend that school administrative type costs be borne by the general fund. Costs charged to Title One should have direct instructional benefit to Title One eligible students.

Current Status: The Title I Program now operates on a school-wide basis as opposed to a targeted assistance basis. Because of this, the federal dollars lose their identity when they reach the school. This cost now plausibly benefits only Title I students and therefore the allocability to Title I students vs. non-Title I students becomes a non-issue.

**2004-9 Eligibility**

84.010 Title One

Criteria: Title One regulations require LEA's operating a targeted assistance program to identify and serve those students most at risk of substandard academic performance. Students should be selected for program participation according to established written criteria.

Condition: In our testing sample of 40 participating Title One students, 3 students were performing at levels above that set forth per the eligibility criteria and were thus technically ineligible. Documentation supporting eligibility was not provided for 3 of the 40 students tested.

Questioned Costs: Undetermined

Effect: The school district may not be concentrating its effort toward those students most at risk as required by Title One regulations for targeted assistance programs.

Cause: The precise cause of this condition is not known, however contributing to this condition may be the lack of a central office control, approval and acceptance of eligible students. Eligibility is determined at each school, with the list of students served kept at each site.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-9 Eligibility** (continued)

**Cause:** The precise cause of this condition is not known, however contributing to this condition may be the lack of a central office control, approval and acceptance of eligible students. Eligibility is determined at each school, with the list of students served kept at each site.

**Recommendation:** If the district continues to operate as a targeted assistance program, only eligible students should receive Title One services. To strengthen internal controls over selection of eligible students, all identified students should be approved by central office staff and a centralized database should be kept containing pertinent demographic data and services received.

**Current Status:** The School System operated as school-wide programs at all schools and therefore the separated identification of the students becomes unnecessary.

**2004-10 Special Tests and Provisions**

84.010 Title One

**Criteria:** All paraprofessional hired after January 8, 2002 must possess a high school diploma or equivalent and meet one of the following criteria:

- a. Have completed two years of study at an institution of higher education
- b. Possess an associates degree or higher
- c. Have met a rigorous standard of quality and can demonstrate through a formal State or local academic assessment knowledge of, and the ability to assist in instructing, reading\language arts, writing, and math, or readiness in those areas.

**Condition:** One teacher hired after that date failed to meet the aforementioned criteria.

**Questioned costs:** Salary and benefits of approximately \$11,600.

**Effect:** Out of three paraprofessionals hired after January 8, 2002, one of them did not meet the required qualifications.

**Recommendation:** All paraprofessionals hired henceforth should possess the required qualifications.

**Current Status:** All paraprofessionals hired after January 8, 2002 now meet the definition of highly qualified.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**2004-11 Allowable Costs**

84.027                      Special Education

Criteria:                      According to the general criteria set forth in OMB Circular A-87, costs must be reasonable and necessary for the execution of the program.

Condition:                      Cell phones were charged to the program without any reimbursement for personal calls.

Questioned Costs:              \$6,252

Effect:                              Unnecessary costs may have been charged to the program.

Recommendation:              Program should consider whether the cost of cell phones is necessary for execution of the program. Should they be deemed necessary, then personal calls should be reimbursed to the program.

Current Status:                      The Superintendent contacted the federal department of education as well as the state DOE. Restitution will not be required. The School Board is considering adopting a policy with regard to cell phones.

**2004-12 Davis-Bacon Wage Compliance**

84.352                      School Renovation Grants – Clinton Middle School

Criteria:                              Recipients of federal grants involving construction activities must monitor the contractors' payrolls to ensure that workers are paid prevailing wage rates for the geographical region.

Condition:                              The School Board did not monitor contractor payrolls as required by the Davis-Bacon Act.

Questioned costs:                      Undetermined

Effect:                                      The School Board is out of compliance with this regulation.

Recommendation:                      Contractor and subcontractor payrolls should be monitored for compliance with the regulation.

Current Status:                              The School Board did not monitor the contractors during 2004-2005. They were unaware of the requirement until the issue surfaced as part of the 2003-2004 audit (late 2004), at which time construction was near completion. Finding is repeated (see 2005-8).

**PERFORMANCE MEASUREMENT DATA**



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**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the  
East Feliciana Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of East Feliciana Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of East Feliciana Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

**Procedure #1**

In performing test of controls P&N selected a random sample of 40 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported in the schedule:

- Total general fund expenditures
- Total general fund equipment expenditures
- Total local taxation revenue
- Total local earnings on investment in real property
- Total state revenue in lieu of taxes
- Nonpublic textbook revenue
- Nonpublic transportation revenue

**Results of procedure # 1**

In performing the testing on the sample of expenditures/revenues, we noted one transaction that was inappropriately classified in the amount of \$170.88. The transaction was posted to an account for sabbatical leave but should have been posted to an account for telephone service.

## **Education Levels of Public School Staff (Schedule 2)**

### **Procedure # 2**

We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

### **Results of Procedure # 2**

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, or between the schedules and the Oct. 1 payroll records.

### **Procedure # 3**

We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

### **Results of procedure # 3**

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, or between the schedules and the Oct. 1 payroll records.

### **Procedure # 4**

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

### **Results of Procedure # 4:**

In our sample of 25 employees, one discrepancy was noted between the aforementioned listing and the schedule. One employee holding a masters degree in education was listed as certified holding less than a bachelor's degree.

## **Number and Type of Public Schools (Schedule 3)**

### **Procedure # 5**

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants application.

### **Results of Procedure # 5**

We noted no discrepancies between the schools as listed in the "Class Size Data Report" and the list of schools on the Title I Grants application with the exception of the alternative (discipline) school, which is not listed on the Title I Grants application.

## **Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)**

### **Procedure #6**

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file to

determined if the individual's experience was properly classified on the schedule.

#### Results of Procedure # 6

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

#### Public Staff Data (Schedule 5)

##### Procedure # 7

We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalency status as reported on the schedule. From the list, a random sample of 25 teachers was selected. For the teachers selected, we observed the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalency status were properly included on the schedule.

##### Results of procedure # 7

In our sample of 25 teachers, all salaries used in computing the average contained discrepancies when compared to the salary actually paid for the year. The discrepancies ranged from a low of \$256 to a high of \$576. The average amount of the discrepancy was \$387. In all instances, the salary amounts used in computing the averages reported on the schedule were less than that actually paid.

##### Procedure # 8

We recalculated the average salaries and full-time equivalents reported in the schedule noting mathematical accuracy based on the amounts used (see results of procedure #7).

##### Results of procedure # 8

We noted no differences between the averages reported on the schedule and our calculations.

#### Class Size Characteristics (Schedule 6)

##### Procedure # 9

We obtained a "class size data report" which was obtained from the same data source for which schedule 6 was prepared. From this "class size data report", we selected a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

##### Results of Procedure # 9

Of the 10 classes selected the following discrepancies were noted:

	Class size per Schedule 6	Class size per roll books
Class size discrepancy 1	18	20
Class size discrepancy 2	12	14
Class size discrepancy 3	18	16

#### Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

##### Procedure # 10

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

Results of Procedure #10

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

Procedure #11

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

Results of Procedure #11

No differences were noted.

The Iowa Tests (Schedule 9)

Procedure #12

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the East Feliciana Parish School Board.

Results of Procedure #12

No differences were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of East Feliciana Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Poeththarait + Nathurath*

November 7, 2005

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2005**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and non-certificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

**Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The IOWA Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2005**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	5,329,218	
Other Instructional Staff Activities		731,382	
Employee Benefits		2,357,029	
Purchased Professional and Technical Services		93,193	
Instructional Materials and Supplies		135,633	
Instructional Equipment		6,989	
Total Teacher and Student Interaction Activities			\$ 8,653,444

Other Instructional Activities 60,457

Pupil Support Activities 523,452  
Less: Equipment for Pupil Support Activities -  
Net Pupil Support Activities 523,452

Instructional Staff Services 654,479  
Less: Equipment for Instructional Staff Services -  
Net Instructional Staff Services 654,479

Total General Fund Instructional Expenditures \$ 9,891,832

Total General Fund Equipment Expenditures \$ 6,989

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	201,926	
Renewable Ad Valorem Tax	937,186	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	30,244	
Sales and Use Taxes	1,056,770	
Total Local Taxation Revenue		\$ 2,226,126

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	5,520	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		\$ 5,520

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	73,479	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		\$ 73,479

Nonpublic Textbook Revenue \$ 14,050

Nonpublic Transportation Revenue \$ -

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2004**

**Schedule 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	0.75%	1	5.26%	0	0.00%	0	
Bachelor's Degree	86	64.18%	18	94.74%	0	0.00%	0	
Master's Degree	23	17.16%	0	0.00%	4	30.77%	0	
Master's Degree + 30	23	17.16%	0	0.00%	9	69.23%	0	
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	
Ph. D. or Ed. D.	1	0.75%	0	0.00%	0	0.00%	0	
<b>Total</b>	<b>134</b>	<b>100.00%</b>	<b>19</b>	<b>100.00%</b>	<b>13</b>	<b>100.00%</b>	<b>0</b>	

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2005**

**Schedule 3**

<b>Type</b>	<b>Number</b>
Elementary	3
Middle/Jr. High	2
Secondary	2
Combination	1
<b>Total</b>	<b>8</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2004**

**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	0	1	0	4	6
Principals	0	0	0	0	0	4	3	7
Classroom Teachers	28	25	35	12	11	10	32	153
Total	28	25	36	12	12	14	39	166

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2005**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	34,188.39	33,325.44
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	33,784.05	32,903.18
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	164.00	147.00

Note: Figures reported include all sources of funding (i.e. federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2004**

**Schedule 6**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	49.62%	50	45.08%	169	5.30%	6	0.00%	0
Elementary Activity Classes	0.00%	2	0.00%	10	9.09%	2	90.91%	6
Middle/Jr. High	56.88%	103	38.75%	55	4.38%	9	0.00%	0
Middle/Jr. High Activity Classes	6.25%	7	18.75%	1	56.25%	8	18.75%	4
High	55.92%	128	26.54%	67	17.54%	45	0.00%	0
High Activity Classes	83.33%	41	11.11%	5	5.56%	0	0.00%	0
Combination	100.00%	8	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	100.00%	3	0.00%	0	0.00%	0	0.00%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**EAST FELICIANA PARISH SCHOOL BOARD**  
Clinton, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2005  
Grade 4

Schedule 7  
1 of 2

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	0	0.00%	5	2.72%	1	0.49%	4	1.77%	6	3.26%	4	1.95%
Mastery	23	10.18%	23	12.50%	17	8.29%	23	10.18%	15	8.15%	21	10.24%
Basic	93	41.15%	56	30.43%	90	43.90%	91	40.27%	49	26.63%	92	44.88%
Approaching Basic	61	26.99%	49	26.63%	63	30.73%	60	26.55%	53	28.80%	49	23.90%
Unsatisfactory	49	21.68%	51	27.72%	34	16.59%	48	21.24%	61	33.15%	39	19.02%
Total	226	100.00%	184	100.00%	205	100.00%	226	100.00%	184	100.00%	205	100.00%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	2	0.88%	2	1.09%	1	0.49%	1	0.44%	2	1.09%	3	1.46%
Mastery	16	7.08%	20	10.87%	12	5.85%	9	3.98%	18	9.78%	13	6.34%
Basic	84	37.17%	59	32.07%	68	33.17%	74	32.74%	66	35.87%	80	39.02%
Approaching Basic	92	40.71%	66	35.87%	94	45.85%	79	34.96%	39	21.20%	66	32.20%
Unsatisfactory	32	14.16%	37	20.11%	30	14.83%	63	27.88%	59	32.07%	43	20.98%
Total	226	100.00%	184	100.00%	205	100.00%	226	100.00%	184	100.00%	205	100.00%

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Schedule 7**  
**2 of 2**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2005**  
**Grade 8**

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	0	0.00%	0	0.00%	0	0.00%	1	0.62%	1	0.47%	1	0.44%
Mastery	5	3.07%	11	5.50%	4	1.97%	3	1.86%	6	2.83%	6	2.62%
Basic	31	19.02%	51	25.50%	43	21.18%	54	33.54%	91	42.92%	72	31.44%
Approaching Basic	65	39.88%	88	44.00%	103	50.74%	51	31.68%	52	24.53%	63	27.51%
Unsatisfactory	62	38.04%	50	25.00%	53	26.11%	52	32.30%	62	29.25%	87	37.99%
<b>Total</b>	<b>163</b>	<b>100.00%</b>	<b>200</b>	<b>100.00%</b>	<b>203</b>	<b>100.00%</b>	<b>161</b>	<b>100.00%</b>	<b>212</b>	<b>100.00%</b>	<b>229</b>	<b>100.00%</b>

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mastery	8	5.06%	11	5.85%	4	2.08%	2	1.27%	2	1.06%	1	0.52%
Basic	56	35.44%	61	32.45%	46	23.96%	41	25.95%	46	24.47%	44	22.92%
Approaching Basic	54	34.18%	59	31.38%	73	38.02%	57	36.08%	60	31.91%	71	36.98%
Unsatisfactory	40	25.32%	57	30.32%	69	35.94%	58	36.71%	80	42.55%	76	39.58%
<b>Total</b>	<b>158</b>	<b>100.00%</b>	<b>188</b>	<b>100.00%</b>	<b>192</b>	<b>100.00%</b>	<b>158</b>	<b>100.00%</b>	<b>188</b>	<b>100.00%</b>	<b>192</b>	<b>100.00%</b>



**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**For the Year Ended June 30, 2005**  
**Grades 10 and 11**

**Schedule 8**

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	0	0.00%	0	0.00%	0	0.00%	3	1.92%	2	1.00%	1	0.47%
Mastery	11	7.05%	4	2.27%	2	1.03%	12	7.69%	9	4.48%	8	3.79%
Basic	53	33.97%	44	25.00%	29	14.95%	67	42.95%	64	31.84%	49	23.22%
Approaching Basic	58	37.18%	48	27.27%	70	36.08%	23	14.74%	42	20.90%	41	19.43%
Unsatisfactory	34	21.79%	80	45.45%	93	47.94%	51	32.69%	84	41.79%	112	53.08%
<b>Total</b>	<b>156</b>	<b>100.00%</b>	<b>176</b>	<b>100.00%</b>	<b>194</b>	<b>100.00%</b>	<b>156</b>	<b>100.00%</b>	<b>201</b>	<b>100.00%</b>	<b>211</b>	<b>100.00%</b>

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	0	0.00%	1	0.65%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mastery	1	0.78%	4	2.60%	3	2.21%	0	2.00%	3	2.00%	3	1.94%
Basic	21	16.41%	35	22.73%	6	4.41%	25	30.00%	46	30.00%	51	32.90%
Approaching Basic	42	32.81%	48	31.17%	60	44.12%	40	32.00%	49	32.00%	48	29.68%
Unsatisfactory	64	50.00%	66	42.86%	67	49.26%	61	36.00%	56	36.00%	55	35.48%
<b>Total</b>	<b>128</b>	<b>100.00%</b>	<b>154</b>	<b>100.00%</b>	<b>136</b>	<b>100.00%</b>	<b>126</b>	<b>100.00%</b>	<b>154</b>	<b>100.00%</b>	<b>155</b>	<b>100.00%</b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Schedule 9**

**The IOWA Tests**  
**For the Year Ended June 30, 2005**

		<b>Composite</b>				
		<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Test of Basic Skills (ITBS)</b>						
Grade 3		44	45	37	39	36
Grade 5		50	48	41	38	34
Grade 6		29	36	33	38	29
Grade 7		38	36	35	29	28
<b>Tests of Educational Development (ITED)</b>						
Grade 9		35	35	27	28	31

Note: Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

**EAST FELICIANA PARISH SCHOOL BOARD**

**REPORT TO MANAGEMENT**

**JUNE 30, 2005**

EAST FELICIANA PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2005



**Postlethwaite & Netterville**

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Page 1 of 3

November 7, 2005

Members of the Board and Management  
East Feliciana Parish School Board  
Clinton, Louisiana

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board for the year ended June 30, 2005, we considered the School Board's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of several matters that are opportunities for improving financial reporting and refining policies and procedures. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated November 7, on the financial statements of the School Board.

**A. Timeliness of Bank Reconciliations**

**Condition:** Journal entries were made to the cash account on the general ledger (accounting system) through November 2005; five months after year-end. This indicates that a true reconciliation of the books to the bank statements was not being performed on a timely basis. When general ledgers are not reconciled to the bank statements timely, there is a risk that financial information from the accounting system may be inaccurate.

**Recommendation:** To ensure that the accounting records and financial reports to the Board are accurate on an ongoing basis, bank reconciliations and any journal entries needed as a result of that process, should be performed within a month after each month-end.

**Management's**

**Response:** *All bank reconciliations are being done on a monthly basis and reconciled to the general ledger. However, sometimes after the bank statement is reconciled, occasionally a program manager may decide to request funds from another source and therefore a journal entry needs to be done. In the future, journal entries will be done within a month after each month-end.*

**B. Purchasing**

**Condition:** Evidence of reconciliation of receiving reports/invoices to purchase orders (P.O.) is not evident on the P.O. or the invoice.

**Recommendation:** All invoices associated with P.O.'s should contain documentation of comparison of the amount purchased to the amount received. The individual receiving the goods should sign the P.O. as documentary evidence.

Management's

Response:

*Each department receiving goods will sign the Purchase Order as documentary evidence.*

C. Budget monitoring of federal funds

Condition:

Several reimbursement requests submitted to the state DOE were denied due to certain line items exceeding budgeted amounts. When this occurs, the general fund must absorb the cost.

Recommendation:

We recommend that the budgets be closely monitored on an on-going basis. The accounting department may wish to employ a monitoring function in the accounting software.

Management's

Response:

*The budgets will be monitored on an on-going basis.*

D. Leave Records

Condition:

In our limited testing of accrued leave records, we noted an instance where a sick day was not posted to an employee's leave records (one instance out of ten). This appears to be a result of failure by the school in question to accurately report the number of sick days taken to the central office.

Recommendation:

Because of the use of exceptions based payroll, leave records are at-risk for inaccuracies. The central office should take steps to ensure that the reports submitted from the schools are accurate and complete. Steps could include the periodic auditing of the submitted absence reports to sign-in logs.

Management's

Response:

*Periodic auditing will be done to minimize inaccurate leave from being reported to the Central Office from the schools.*

E. Payout of accrued leave

Condition:

In July of 2004, certain maintenance staff were changed from 12 month employees to 10 month employees. As part of this employment change and in an attempt to justly compensate the employees for effects of the change, the employees were paid the balance of their accrued vacation leave earned. This appears to be inconsistent with the School Board's policy of paying out annual leave only upon retirement or death of an employee.

Recommendation:

The payout was approved by the personnel committee; however, it was not brought before the full board. We recommend that all financial decisions made at the committee level, especially those contrary to the School Board policy be brought before the full board for approval.

We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the School Board staff for their patience and cooperation with us during the performance of the audit.

*Pastthwart & Mettewilly*